

Michigan House Insurance Committee  
Nov 19, 2012

Thank you for the opportunity. I am here as a member of the Michigan Senior Advisory Council and Chair of the Livingston County Consortium on Aging, though my opinions and statements are my own.

The Blues were established in 1939, seventy-plus years ago, and given the parameters of reasonable rates and coverage for all, in return for reasonable profits. They are still in business with 70% of the health insurance policies in Michigan.

I attended a recent Senate Insurance Committee hearing where the following questions and statements were raised, and went unanswered,

“Many other states have similar nonprofit Blues. None of them are converting as a result of the Affordable Care Act.”

“The Blues finances are in good shape. What’s the rush?”

“If it ain’t broke, why fix it?”

“What would the world look like with conversion? Once you do it, it can’t be undone.”

“Is this really in the best interest of the populace and vulnerable, or the company?”

I would also add that the Senate committee was cautioned to not hastily accept the Blues offer of \$1.8 billion over 18 years to support health care issues, as likely underestimating the Blues worth. And, coincidence or not, in 18 years it will be 2030, projected to be the year of the peak baby boomer turning 65. Then what?

Rushing this major legislation through in a lame duck session is not fair to the people of Michigan. Republicans will continue to control the debate in both houses after the New Year. It’s only fair to your voters to understand the details and implications of this legislation.

In fact, having just survived the campaign season and its six proposals, I can think of no better way to discuss and determine the fate of this proposal than putting it to referendum. As the saying goes, Let the People Decide.

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For further insight, Google search: Blue Cross Blue Shield Corporate Structure, then search Blue Cross Blue Shield: A Historical Compilation.